Measuring what matters

Recommendations from Analytic Partners and Pinterest
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Summary and key findings

Marketing mix modeling can help brands get smarter about future media investments. But to get meaningful results, brands have to measure the right inputs and relationships. In this paper, Analytic Partners and Pinterest recommend a measurement approach that gives brands a better read on more types of media, and more types of impact. A case study brings these recommendations to life and shows how Integrated Pathways Analysis can reveal new insights about marketing performance and media synergies.

Key case study findings

6X more direct impact from social media than in 2014¹

42% of Pinterest’s direct impact came from Promoted Pins²

80% of Pinterest’s indirect search impact came from owned and earned media³

Pinterest’s impact was disproportionate⁴

1-4 Analytic Partners, analysis based on campaigns running 2014-2016
In the last few years, a leading consumer packaged goods manufacturer made significant changes to their marketing mix. Brand X started spending less on traditional media, and put more focus on creating inspiring content for social media.5

But was it working?

That’s a common question for marketers. With so many media channels available, it’s much easier to spend ad dollars than it is to measure them.

Measurement problems aren’t new, but they’re getting harder to solve. In the 1990s, Marketing Mix Modeling (MMM) emerged as a leading methodology for better marketing measurement. By measuring all the marketing channels used for a given brand in one integrated analysis, MMM gave brands unprecedented insight into metrics like media efficiency, effectiveness, ROI and performance. It also helped them guide and predict the impact of future investments.

But as marketing continued to evolve, MMM techniques needed to evolve, too. Plus, they had to reflect new shifts in how consumers interact with brands and content. Until recently, many MMM analyses focused on a direct relationship between paid media and sales outcomes. They didn’t account for the nuances and relationships of newer digital formats like social media, email and websites. The path to purchase is more fragmented than it used to be, so brands that only measure direct impact from paid media are missing important pieces of the measurement puzzle.

Analytic Partners, a global marketing analytics company, has led the industry in evolving MMM and a holistic view of measurement. Analytic Partners conducts thousands of marketing measurement analyses each year across a wide breadth of industries. They use advanced statistical techniques coupled with a deep understanding of their clients’ industries and markets to measure marketing mix performance. Their approach is customized to address specific market, brand and business challenges. This provides actionable insights to increase sales, market share and marketing ROI.

5 Brand has been blinded for this paper.
Unlock new insight with Integrated Pathways Analysis

Brand X needed a more nuanced, flexible way to evaluate their media. Working with Analytic Partners, Brand X used an Integrated Pathways Analysis as an extension of their standard marketing mix model. Integrated Pathways Analysis looks at paid, owned and earned media, as well as other brand activities. This analysis extends the scope of measurement and digs deeper into synergies and interactions between different kinds of media. That gives marketers some key advantages:

**Measures the right inputs**

Integrated Pathways Analysis measures a wider spectrum of media tactics than standard MMM alone. That includes all paid media, owned media (ex: a brand’s website) and earned media (ex: social media mentions or organic searches). It also covers all potential social media tactics, from paid ads to organic profiles and consumer “buzz.”

This approach keeps brands from underestimating social media’s impact and assuming that paid media is what’s driving sales. The methodology adjusts for how people shop today: they might jump from ads to owned media to online reviews, and back again. Measuring owned and earned media alongside paid media gives brands a clearer read than standard MMM could do on its own.

**Highlights indirect impact**

It’s not enough to have the right inputs—you also have to analyze the right relationships. Many models only measure direct impact, but that can shortchange tactics that indirectly influence a purchase.

For example: imagine someone just bought Brand X’s product at the store. Did she see an ad online and go directly to the store, right that minute? Or did she see an ad online, browse the brand’s social media for a bit, search for reviews, wait a week...and then go to the store? Those nuances make a difference, and can impact future investments.

Analytic Partners uses adaptive modeling techniques to help brands measure the synergies between different kinds of media along the path to purchase. This gives indirect influences “credit” for their role in the path to purchase, and keeps brands from misallocating their budgets.
Why media works differently on Pinterest

Analytic Partners’ approach to MMM is especially useful for brands that use Pinterest as a marketing platform. On Pinterest, paid, owned and earned media work together. Since many MMM analyses focus on more traditional paid media and causal relationships, they don’t accurately capture Pinterest’s influence on consumer behavior and brand goals.

Every month, 175 million people use Pinterest to discover possibilities and act on their favorite ideas. That sets Pinterest apart from social platforms because people use it for themselves, rather than connecting with friends or posting photos. Because people use Pinterest to find ideas and evaluate products, content from brands aligns with their needs. 75% of the content on Pinterest links to a business website. Some of that content is owned media, but much of it comes from Pinners, who organically add content they like onto the platform. In doing so, they generate earned media on behalf of their favorite brands.

Paid media works differently on Pinterest, too. Ads are helpful rather than disruptive, because they’re contextually relevant to someone’s needs on Pinterest. Plus, Pinners often save ads to their “boards” so they can find them again later. As the content spreads through Pinners’ networks, brands often see strong gains from earned media in addition to their paid media results.

Models that only look at direct, immediate impact don’t capture Pinterest’s full value proposition. Analytic Partners’ approach gives marketers a better way to assess Pinterest performance and adjust how they use different media tactics on the platform.

Sample Pinterest creative; not from the Brand X campaign.

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6 Pinterest, internal analysis, 2016; 7 Pinterest, global activity, 2017
Case study: Integrated Pathways Analysis for a CPG food brand

Brand X has reshaped their media mix over the years to match consumer trends and marketing innovations. Currently, they use a mix of paid, owned and earned media that spans digital and offline channels.

In recent years, the team started allocating more money to digital, including social media. They also pushed more content to social platforms and Pinterest. Pinterest is an especially compelling platform for Brand X since it reaches 70% of US moms (their key target) and is a natural fit for their inspirational, recipe-driven content.9

Brand X asked Analytic Partners to evaluate which media tactics were driving the most impact, and how the tactics worked together. They also wanted a close look at Pinterest’s role within their media mix. The study revealed important insights into Brand X’s media performance.

Social media showed the biggest gains

Social media’s direct impact on sales grew nearly 6x since the 2014 study. In 2016, social media contributed 3.5% of sales volume, up from 0.6% in 2014.10 That’s a bigger contribution than Brand X’s website, email and organic search combined. Meanwhile, the website decreased in importance, down to 1.2% of sales impact from 3.7% in 2014.11 These results validated Brand X’s choice to shift more investments to social media.

Integrated Pathways Analysis from June 2014-December 2016
Measured impact on offline grocery sales in 52 Nielsen markets

Key changes between the 2014 and 2016 studies:
- Lower marketing spend
- Increased allocation to digital marketing
- Put more emphasis on social media content
- Started running paid ads on Pinterest (Pinterest did not offer ads during 2014’s study)

Impact from digital channels

- Pinterest: 1.9%
- Other: 1.6%
- Website: 1.2%
- Organic search: 1.2%
- Email: 0.2%

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9 comScore, Jan 2017
10-11 Analytic Partners, analysis based on campaigns running 2014-2016
Pinterest was the top digital performer

Pinterest’s impact outweighed all other digital tactics, contributing 1.9% to direct sales. That’s more than social media, email or the website. Paid, owned and earned media worked together on Pinterest to boost the impact.

Contributions to sales volume

- Pinterest paid: 0.8%
- Pinterest owned: 0.6%
- Pinterest earned: 0.6%
- All other social: 1.6%

1.9% Pinterest contribution to volume

Impressions vs. impact

- Pinterest contributed 55% of all social media sales impact with only 25% of impressions. That means every Pinterest impression was particularly valuable.

Indirect impact grew more significant

Social media showed a stronger impact on organic search activity and website visits, compared to the 2014 study. Within the social media category, Pinterest outperformed other platforms for both website and search impact.

Overall, social media contributed 43% of indirect media impact on organic search. Pinterest was responsible for more than half of that impact (23%). That means Pinterest helped Brand X capture demand from people who might not have made a purchase otherwise. They saw content on Pinterest that inspired them to search for more information, and eventually decided to buy. Different types of media worked together to create this influence: earned and owned media drove 80% of Pinterest’s total search impact.

Indirect impact on organic search

- Other media: 57%
- Social media: 20%
- Pinterest: 23%

80% Earned and owned media drove 80% of Pinterest’s total search impact.

12-16 Analytic Partners, analysis based on campaigns running 2014-2016
Pinterest was the only channel in the social media category that influenced Brand X’s website activity. It contributed 19% of website volume in 2016, up 3x from 2014 (6%). Some of that growth came from implementing paid ads (“Promoted Pins”), which weren’t available in 2014.

Since many MMM analyses don’t account for indirect influence or non-paid media, a more standard analysis may not have captured the full extent of Pinterest’s indirect influence.

**Paid social amplified owned and earned media**

Brand X’s results show the importance of planning media that works together. Paid ads amplified owned and earned content, extending their reach and resonance. Measuring this impact, Analytic Partners ensured that each marketing channel was captured comprehensively and that its role in the marketing mix was properly understood.

**Pinterest media was more efficient than other platforms**

Promoted Pins drove 42% of direct sales impact, while owned and earned media combined drove 58% of the impact. The relationship between the three types of media made Pinterest much more influential than any tactic on its own.

Analytic Partners’ analysis helped Brand X recalibrate their media mix. They improved messaging alignment between channels, invested in social as a driver for website and search, and shifted more money to Pinterest ads.
Media strategy best practices

Plan your media as an integrated system
Think about your media mix as a system: the pieces work together to create more impact than any single tactic could do on its own. Test and learn to understand what’s best for your brand. You should look at direct impact on short term sales, as well as more medium term indirect forms of influence.

Tie together your digital and offline marketing
Synchronize digital and offline tactics to keep consumers engaged in your promotions and messaging. For example, you could promote in-store deals on your social media accounts, and encourage in-store shoppers to look at your Pinterest account for shopping inspiration.

Tailor content to each platform
Follow each platform’s best practices to get the most out of your investments. On Pinterest, that means content with compelling images, tasteful branding and strong calls to action. Your Pins should help people envision your brand in their lives, whether that’s through lifestyle imagery, project instructions or inspiring video content. The more helpful or inspiring you make your Pins, the more likely people are to save them—which leads to more earned media, and greater chances that Pinners will take action on your content.

Coordinate messaging across your media
Think about how messaging works together across your channels so people gather the right information to make a decision. You should also make it easy to find similar content across platforms. So if you post a recipe to YouTube, also create a Pin for that recipe. That way, people can easily find your brand as they switch between channels.

Develop a robust learning plan
Keep testing different media strategies and messaging to see what works best for your brand. Understand both the direct impact your media investment has on sales, as well as the nuanced interactions between tactics that boost campaign success. Utilize appropriate tools for measurement, like MMM, multi touch attribution and sales lift studies. Triangulating results from these kinds of studies is the best way to keep learning so you can improve your media mix over time.
Analytic Partners is a global marketing analytics company that leverages adaptive modeling techniques and tools to help companies generate better marketing ROI, drive growth and ultimately, grow closer to their customers. Through solutions such as marketing mix modeling, multi touch attribution, unified measurement and marketing optimization, Analytic Partners works with marketers to build deep knowledge about brands, customers and competitors that is converted into sound strategies aimed at improving business performance.

People come to Pinterest to find dinner recipes, home inspiration and other possibilities to design their lives. It’s a visual discovery engine with over 100 billion ideas to explore. Pinterest launched in 2010 and now has over 175 million monthly users around the world. It’s available on iOS and Android, and at pinterest.com.

### Pinterest’s audience
- **175 million** monthly active users around the world
- **80%** are on mobile
- **70%** of US moms

### Intent on Pinterest
- **55%** of Pinners use Pinterest to shop—higher than people on other platforms
- **63%** of Pinners say Pinterest helps with everyday meal planning
- **93%** of people who used Pinterest while grocery shopping used it to decide what to buy that day

### Content on Pinterest
- **100 billion Pins** and 2 billion boards
- **75%** of content links to business websites
- **2.7 billion** food Pins saved in 2016

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19-20 Pinterest, internal data, 2017
21 comScore, avg Nov 2016–Jan 2017
23 Millward Brown, Pinterest consumer study, 2015
24 Pinterest, consumer study, 2016
25 Pinterest, internal data, 2016
26 Pinterest, US activity, 2016